

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 412 - SB 804**

March 24, 2011

**SUMMARY OF BILL:** Requires the burden of proof in a grievance procedure involving disciplinary action for public higher education institution support staff to be placed on the institution taking the action. Requires that the final step of a grievance procedure will be a hearing before an administrative judge employed by the Administrative Procedures Division (APD) in the Secretary of State's Office.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$100,500**

**Other Fiscal Impact – Of the \$100,500, the Tennessee Board of Regents (TBR) and the University of Tennessee (UT) will pay the Administrative Procedures Division in the Secretary of State's Office \$67,500 for the cost of administrative law judges to preside over grievance hearings.**

**Assumptions:**

- According to TBR, 30 grievance cases each year will require hearings. TBR attorneys are based in Nashville and will travel to campuses for hearings. TBR estimates that 25 hearings will require travel. TBR will pay \$269 per hearing, which includes \$115 for mileage, \$85 for lodging, and \$69 in per diem. Total attorney travel costs will be \$6,725 ( $\$269 \times 25$ ).
- TBR will also pay for an administrative judge and a court reporter. An administrative judge will be \$1,500 per hearing and a court reporter will be \$540 per hearing. Costs for judges for 30 hearings will be \$45,000 ( $\$1,500 \times 30$ ). Costs for court reporters will be \$16,200 ( $\$540 \times 30$ ).
- The increase in state expenditures for TBR will be \$67,925 ( $\$6,725 + \$45,000 + \$16,200$ ).
- According to UT, 15 grievance cases each year will require hearings. UT attorneys are located in Knoxville and Memphis; however, UT's Deputy General Counsel located in Knoxville will travel to Chattanooga and Martin for hearings. UT estimates an average of six hearings will take place in either Chattanooga (4) or Martin (2).
- For hearings in Martin, UT will pay \$458 per hearing which includes \$304 in mileage, \$85 for lodging, and \$69 in per diem expenses. Total travel expenditures for hearings in Martin will be \$916 ( $\$458 \times 2$ ).

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- For hearings in Chattanooga, UT will pay \$257 per hearing which includes \$103 for mileage, \$85 for lodging, and \$69 per diem. Total travel expenditures for hearings in Chattanooga will be \$1,028 ( $\$257 \times 4$ ).
- UT will also pay for an administrative judge and court reporter. An administrative judge will be \$1,500 per hearing and a court reporter will be \$540 per hearing. Costs for judges for 15 hearings will be \$22,500 ( $\$1,500 \times 15$ ). Costs for court reporters will be \$8,100 ( $\$540 \times 15$ ).
- The increase in state expenditures for UT will be \$32,544 ( $\$916 + \$1,028 + \$22,500 + \$8,100$ ).
- The total increase in state expenditures will be \$100,469 ( $\$67,925 + \$32,544$ ).
- The APD in the Secretary of State's office will receive \$67,500 ( $\$22,500 \text{ UT} + \$45,000 \text{ TBR}$ ) in revenue.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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